

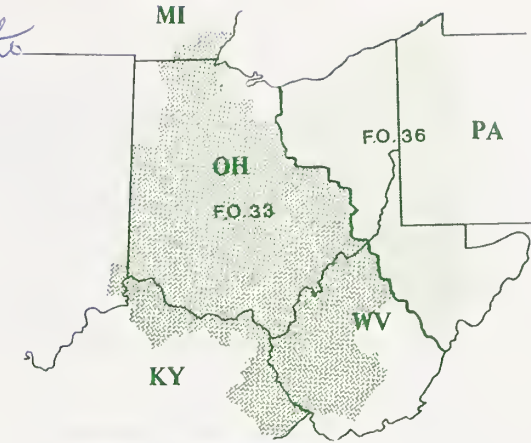
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THE MARKET ADMINISTRATOR'S BULLETIN



OHIO VALLEY MARKETING AREA
FEDERAL ORDER NO. 33

EASTERN OHIO - WESTERN PENNSYLVANIA MARKETING AREA
FEDERAL ORDER NO. 36

VOL. XVI - NO. 12

C. MACK ENDSLEY, *Market Administrator*

DECEMBER 1985

The Market Administrator and his Staff Wish You A Happy Holiday Season



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COMPUTATION OF UNIFORM PRICE FOR NOVEMBER 1985

UNDER FEDERAL ORDER 33

BASED ON HANDLERS' REPORTS TO MARKET ADMINISTRATOR

OHIO VALLEY MILK MARKETING AREA

	PERCENT	MILK POUNDS	3.5% PRICE PER CWT.	TOTAL VALUE
Class I Producer Milk	57.8	149,641,866	\$12.82	\$19,184,087.22
Class II Producer Milk	13.5	35,014,957	11.19	3,918,173.69
Class III Producer Milk	28.7	74,291,864	11.19	8,313,259.58
TOTAL PRODUCER MILK	100.0	258,948,687		\$31,415,520.49
Value of Overage				1,344.83
Value of Inventory Adjustment				477.62
Value of Other Source				-0-
Value of Class I Location Differentials				3,247.54
Value of Audit Adjustments				12,349.44
TOTAL POOL VALUE				\$31,432,939.92
Value of Producer Location Differentials				53,465.02
½ Unobligated Balance in Producer Settlement Fund				130,321.96
PRODUCER MILK AND ADJUSTED VALUE		258,948,687	\$12.209649	\$31,616,726.90
Producer Settlement Fund Reserve			0.049649	(128,566.56)
UNIFORM PRICE FOR 3.5% MILK		258,948,687	\$12.16	\$31,488,160.34
Uniform Price Subject to location Differentials				

MARKET SUMMARY FOR NOVEMBER 1985

Gross Class I utilization averaged 5,095,033 pounds per day during November 1985. On a daily basis this was an increase of 1.2% from the previous month and 1.0% more than November 1984.

The November 1985 Class I utilization of producer milk totaled 149,641,866 pounds or 57.8% of the reported producer receipts. This utilization percentage 1.3% more than last month and 3.1% less than November 1984.

The average butterfat test for gross Class I utilization was 2.4% for November 1985.

Receipts from 4,973 producers by 39 pool handlers regulated by Order No. 33 averaged 8,631,623 pounds daily for

November 1985.

On a daily basis this was 1.5% less than last month and 5.8% more than November 1984.

Producers supplying the market decreased by 64 from the October 1985 total and decreased by 293 from November 1984. The daily average producer receipts per farm of 1,736 pounds was 3 less than the previous month. On a daily basis this is 187 pounds more than November 1984.

The November 1985 Class I price was \$12.82 per hundred-weight for 3.5% milk delivered to pool plants in the Central Zone. This was 4 cents more than October 1985 Class I price and \$1.52 less than the November

1984 price. Prices for Class I milk in parts of the marketing area other than the Central Zone reflect the specified location adjustment of minus 5 cents in the Northwestern Zone and plus 5 cents in the Southeastern Zone.

The Class II price for November 1985 was \$11.19. This was 2 cents less than the October 1985 Class II price and \$1.61 less than the November 1984 Class II price.

The Class III price of \$11.19 for November 1985 was 2 cents less than the previous month and \$1.53 less than the November 1984 Class III price.

The December 1985 Class I price will be \$12.91 for 3.5% milk.

MARKET STATISTICS **FEDERAL ORDER NO. 33**

	NOVEMBER, 1985		OCTOBER, 1985		NOVEMBER, 1984	
	3.5% Milk	B. F. Diff.	3.5% Milk	B.F. Diff.	3.5% Milk	B.F. Diff.
PRICE SUMMARY						
Producers' Uniform	\$12.16*	16.0¢	\$12.10*	16.3¢	\$13.73*	18.2¢
Class I	12.82*	16.0	12.78*	16.3	14.34*	18.2
Class II	11.19	16.0	11.21	16.3	12.80	18.2
Class III	11.19	16.0	11.21	16.3	12.72	18.2

*Central Zone. Southeastern Zone five cents more. Northwestern Zone five cents less.

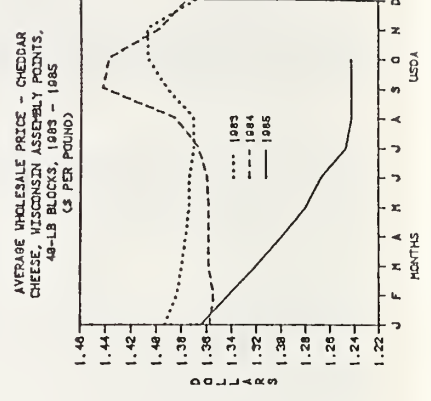
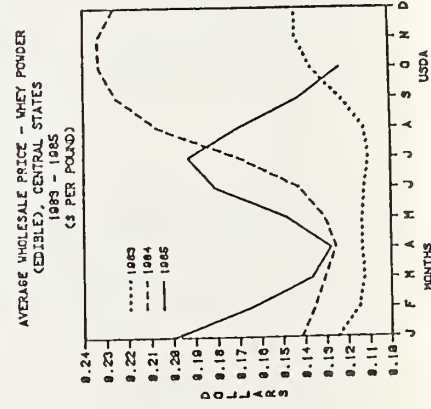
	NOVEMBER 1985	OCTOBER 1985	NOVEMBER 1984
PRODUCER MILK CLASSIFICATION			
TOTAL PRODUCER MILK	258,948,687	271,596,744	244,709,862
Percent Class I	57.8	56.5	60.9
Percent Class II	13.5	13.9	12.7
Percent Class III	28.7	29.6	26.4
UTILIZATION SUMMARY			
CLASS I PRODUCER MILK	149,641,866	153,475,677	149,080,104
Opening Inventory	21,044	31,401	34,653
Other Source - Unregulated	-0-	-0-	4,283
Other Source - Other Order	3,188,072	2,640,954	2,165,299
Overage	-0-	-0-	-0-
TOTAL CLASS I	152,850,982	156,148,032	151,284,339
CLASS II PRODUCER MILK	35,014,957	37,744,775	31,172,326
Opening Inventory	310,824	46,711	394,095
Other Source - Unregulated	2,083,016	1,906,606	1,825,222
Other Source - Other Order	216,613	-0-	5,965
Overage	-0-	-0-	9,687
TOTAL CLASS II	37,625,410	39,698,092	33,407,295
CLASS III PRODUCER MILK	74,291,864	80,376,292	64,457,432
Opening Inventory	20,225,954	23,097,860	20,896,349
Other Source - Unregulated	12,030,358	13,524,796	9,007,563
Other Source - Other Order	5,262,931	6,265,736	2,018,190
Overage	8,802	27,234	52,151
TOTAL CLASS III	111,819,909	123,291,918	96,431,685
TOTAL RECEIPTS AND UTILIZATION	302,296,301	319,138,042	281,123,319
PRODUCTION SUMMARY			
Percent Butterfat - Producer Milk	3.78	3.72	3.81
Number Producer Farms	4,973	5,037	5,266
Daily Average Production per Farm	1,736	1,739	1,549
Daily Average Producer Milk	8,631,623	8,761,185	8,156,995
Daily Average Producer - Class I	4,988,062	4,950,828	4,969,337
Percent Producer Milk to Class I	173.0	177.0	164.1
Percent Gross Class I to Producer Class I	102.1	101.7	101.5
Number of Reporting Handlers	39	40	42
Value of Producer Milk at Test	\$32,608,643	\$33,783,399	\$34,950,793
Income per Farm (Monthly Average)	\$6,557	\$6,707	\$6,637

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OHIO VALLEY MARKETING AREA

SUMMARY OF MARKET STATISTICS

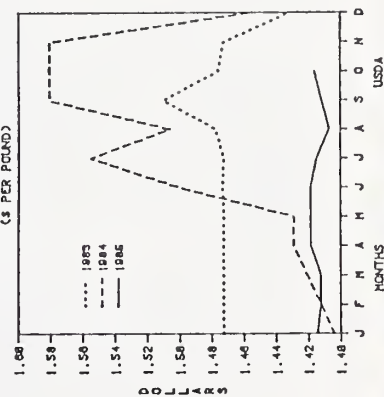
	Class I	Class II	Class III	Uniform	B.F. Diff.	Producer Receipts	pounds			percent			No. of Prod	Daily Avg Del
							Class I	Class II	Class III	CI-I	CI-II	CI-III		
1984														
Nov	\$14.34	\$12.80	\$12.72	\$13.73	\$18.2	244,709,862	149,080,104	31,172,326	64,457,432	60.9	12.7	26.4	5,266	1,549
Dec	\$14.34	\$12.52	\$12.52	\$13.58	\$16.7	256,059,001	146,634,546	27,967,862	81,456,593	57.3	10.9	31.8	5,236	1,578
1985														
Jan	\$14.42	\$12.58	\$12.40	\$13.65	\$16.3	260,991,760	156,635,524	33,855,942	70,500,294	60.0	13.0	27.0	5,308	1,586
Feb	\$14.22	\$12.46	\$12.21	\$13.47	\$16.2	233,821,930	137,895,810	32,371,283	63,554,837	59.0	13.8	27.2	5,177	1,613
Mar	\$14.10	\$12.13	\$11.95	\$13.20	\$16.2	264,525,004	148,128,757	38,030,137	78,366,110	56.0	14.4	29.6	5,128	1,664
Apr	\$13.91	\$11.89	\$11.62	\$12.88	\$16.3	273,153,591	143,393,396	40,734,148	89,026,047	52.5	14.9	32.6	5,180	1,758
May	\$13.65	\$11.71	\$11.46	\$12.61	\$16.3	300,442,435	148,411,666	40,780,386	111,250,383	49.4	13.6	37.0	5,208	1,861
Jun	\$13.32	\$11.70	\$11.20	\$12.28	\$16.3	280,386,753	129,155,016	38,116,288	113,115,449	46.1	13.6	40.3	5,093	1,835
Jul	\$13.16	\$11.65	\$11.10	\$12.20	\$16.3	285,754,272	137,267,105	41,157,928	107,329,239	48.0	14.4	37.6	5,062	1,821
Aug	\$12.90	\$11.08	\$11.08	\$12.07	\$16.2	280,261,298	145,909,032	39,718,061	94,634,205	52.1	14.2	33.7	5,047	1,791
Sep	\$12.80	\$11.12	\$11.12	\$12.04	\$16.2	265,196,236	141,002,459	38,947,518	85,246,259	53.2	14.7	32.1	5,040	1,754
Oct	\$12.78	\$11.21	\$11.21	\$12.10	\$16.3	271,596,744	153,475,677	37,744,775	80,376,292	56.5	13.9	29.6	5,037	1,739
Nov	\$12.82	\$11.19	\$11.19	\$12.16	\$16.0	258,948,687	149,641,866	35,014,957	74,291,864	57.8	13.5	28.7	4,973	1,736



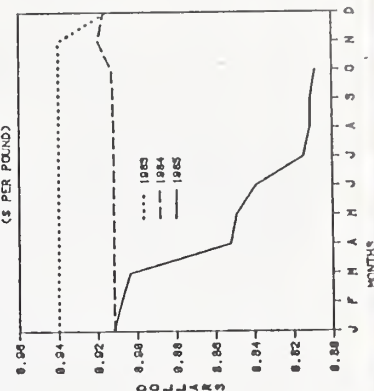
EASTERN OHIO-WESTERN PENNSYLVANIA
SUMMARY OF MARKET STATISTICS

	dollars/cwt.				B.F. Diff.	Producer Receipts	pounds			percent			No. of Prod		Daily Avg Del
	Class I	Class II	Class III	Uniform			Class I	Class II	Class III	Cl-I	Cl-II	Cl-III	Prod	Prod	
<u>1984</u>															
Nov	\$14.49	\$12.80	\$12.72	\$13.83	\$18.2	279,498,047	174,961,413	19,803,183	84,733,451	62.6	7.1	30.3	6,144	1,516	
Dec	\$14.49	\$12.52	\$12.52	\$13.66	\$16.7	296,205,099	173,073,069	17,741,648	105,390,382	58.4	6.0	35.6	6,130	1,559	
<u>1985</u>															
Jan	\$14.57	\$12.58	\$12.40	\$13.70	\$16.3	302,602,712	180,919,681	20,692,469	100,990,562	59.8	6.8	33.4	6,099	1,600	
Feb	\$14.37	\$12.46	\$12.21	\$13.50	\$16.2	277,188,790	162,874,204	20,367,269	93,947,317	58.8	7.3	33.9	6,061	1,633	
Mar	\$14.25	\$12.13	\$11.95	\$13.22	\$16.2	319,776,528	175,635,375	22,036,801	122,104,352	54.9	6.9	38.2	6,075	1,698	
Apr	\$14.06	\$11.89	\$11.62	\$12.90	\$16.3	325,520,315	168,791,767	22,226,925	134,501,623	51.9	6.8	41.3	6,113	1,775	
May	\$13.80	\$11.71	\$11.46	\$12.57	\$16.3	357,689,650	168,904,194	24,533,386	164,252,070	47.2	6.9	45.9	6,133	1,881	
Jun	\$13.47	\$11.70	\$11.20	\$12.26	\$16.3	338,144,450	152,857,041	20,297,508	164,989,901	45.2	6.0	48.8	6,089	1,851	
Jul	\$13.31	\$11.65	\$11.10	\$12.17	\$16.3	336,968,230	158,684,711	23,144,119	155,139,400	47.1	6.9	46.0	6,069	1,791	
Aug	\$13.05	\$11.08	\$11.08	\$12.08	\$16.2	329,786,330	169,562,879	23,246,876	136,976,575	51.4	7.1	41.5	6,079	1,750	
Sep	\$12.95	\$11.12	\$11.12	\$12.09	\$16.2	316,317,450	166,189,170	21,034,943	129,093,337	52.5	6.7	40.8	6,131	1,720	
Oct	\$12.93	\$11.21	\$11.21	\$12.15	\$16.3	327,894,728	179,706,642	22,677,932	125,510,154	54.8	6.9	38.3	6,150	1,720	
Nov	\$12.97	\$11.19	\$11.19	\$12.21	\$16.0	308,777,126	177,253,869	22,260,635	109,262,422	57.4	7.2	35.4	6,115	1,683	

AVERAGE WHOLESALE PRICE - BUTTER
GRADE A, CHICAGO, 1983 - 1985
(\$ PER POUND)



AVERAGE WHOLESALE PRICE - NONFAT DRY MILK,
CENTRAL STATES, SPRAY PROCESS
1983 - 1985
(\$ PER POUND)



COMPUTATION OF UNIFORM PRICE FOR NOVEMBER 1985

UNDER FEDERAL ORDER 36

BASED ON HANDLERS' REPORTS TO MARKET ADMINISTRATOR

EASTERN OHIO - WESTERN PENNSYLVANIA MARKETING AREA

	PERCENT	MILK POUNDS	3.5% PRICE PER CWT.	TOTAL VALUE
Class I Producer Milk	57.4	177,253,869	\$12.97	\$22,989,826.81
Class II Producer Milk	7.2	22,260,635	11.19	2,490,965.06
Class III Producer Milk	35.4	109,262,622	11.19	12,226,487.40
TOTAL PRODUCER MILK	100.0	308,777,126		\$37,707,279.27
Value of Overage				3,790.35
Value of Beginning Inventory and OS Charges				1,618.44
Value of Handler Location Adjustments.				78,794.62
TOTAL POOL VALUE				\$37,791,482.68
Net Producer Zone and Plant Location Adjustments				(106,935.78)
½ Unobligated Balance in Producer Settlement Fund				171,014.51
PRODUCER MILK AND ADJUSTED VALUE		308,777,126	\$12.2598	\$37,855,561.41
Producer Settlement Fund Reserve			.0498	(153,874.31)
UNIFORM PRICE FOR 3.5% MILK - ZONE 1*		308,777,126	\$12.21	\$37,701,687.10

*Plus 5 cents, Zone 2; Plus 8 cents, Zone 3; and Plus 10 cents for Zone 4;
and less location adjustment for mileage at plants outside marketing area.

MARKET SUMMARY FOR NOVEMBER 1985

Gross Class I utilization averaged 5,911,587 pounds per day during November 1985. On a daily basis this was an increase of 2.0% from the previous month and 1.3% more than November 1984.

The November 1985 Class I utilization of producer milk totaled 177,253,869 pounds or 57.4% of the reported producer receipts. This utilization percentage is 2.6% more than last month and 5.2% less than November 1984.

The average butterfat test for gross Class I utilization was 2.5% for November 1985.

Receipts from 6,115 producers by 37 pool handlers regulated by Order No. 36 averaged 10,292,571 pounds daily for

November 1985.

On a daily basis this was 2.7% less than last month and 10.5% more than November 1984.

Producers supplying the market decreased by 35 from the October 1985 total and decreased by 29 from November 1984. The daily average producer receipts per farm of 1,683 pounds was 37 less than the previous month. On a daily basis this is 167 pounds more than November 1984.

The November 1985 Class I price was \$12.97 per hundred-weight for 3.5% milk delivered to pool plants in Zone 1. This was 4 cents more than the October 1985 Class I price and \$1.52 less than the November 1984 price.

Prices for Class I milk in parts of the marketing area other than Zone 1 reflect the specified location adjustment of plus 5 cents in Zone 2, plus 8 cents in Zone 3, and plus 10 cents in Zone 4.

The Class II price for November 1985 was \$11.19. This was 2 cents less than the October 1985 Class II price and \$1.61 less than the November 1984 Class II price.

The Class III price of \$11.19 for November 1985 was 2 cents less than the previous month and \$1.53 less than the November 1984 Class III price.

The December 1985 Class I price will be \$13.06 for 3.5% milk in Zone 1. Milk pooled in other Zones will have the usual adjustments.

MARKET STATISTICS FEDERAL ORDER NO. 36

	NOVEMBER, 1985		OCTOBER, 1985		NOVEMBER, 1984	
	3.5% Milk	B. F. Diff.	3.5% Milk	B.F. Diff.	3.5% Milk	B.F. Diff.
PRICE SUMMARY						
Producers' Uniform	\$12.21*	16.0¢	\$12.15*	16.3¢	\$13.83*	18.2¢
Class I	12.97*	16.0	12.93*	16.3	14.49*	18.2
Class II	11.19	16.0	11.21	16.3	12.80	18.2
Class III	11.19	16.0	11.21	16.3	12.72	18.2

*Zone 1. Zone 2 plus 5 cents. Zone 3 plus 8 cents. Zone 4 plus 10 cents.

	NOVEMBER 1985	OCTOBER 1985	NOVEMBER 1984
PRODUCER MILK CLASSIFICATION			
TOTAL PRODUCER MILK	308,777,126	327,894,728	279,498,047
Percent Class I	57.4	54.8	62.6
Percent Class II	7.2	6.9	7.1
Percent Class III	35.4	38.3	30.3
UTILIZATION SUMMARY			
CLASS I PRODUCER MILK	177,253,869	179,706,642	174,961,413
Other Source - Dairy Products	-0-	-0-	-0-
Other Source and Beg. Inv. - Fluid	93,754	9,980	48,119
Overage	-0-	-0-	6,862
TOTAL CLASS I	177,347,623	179,716,622	175,016,394
CLASS II PRODUCER MILK	22,260,635	22,677,932	19,803,183
Other Source - Dairy Products	1,619,562	1,631,396	1,674,821
Other Source and Beg. Inv. - Fluid	1,447,944	1,408,930	1,537,337
Overage	-0-	-0-	2,499
TOTAL CLASS II	25,328,141	25,718,258	23,017,840
CLASS III PRODUCER MILK	109,262,622	125,510,154	84,733,451
Other Source - Dairy Products	1,177,525	871,357	759,235
Other Source and Beg. Inv. - Fluid	30,706,049	32,857,429	19,343,524
Overage	2,289	450	1,870
TOTAL CLASS III	141,148,485	159,239,390	104,838,080
TOTAL RECEIPTS AND UTILIZATION	343,824,249	364,674,270	302,872,314
PRODUCTION SUMMARY			
Percent Butterfat - Producer Milk	3.79	3.73	3.82
Number Producer Farms	6,115	6,150	6,144
Daily Average Production per Farm	1,683	1,720	1,516
Daily Average Producer Milk	10,292,571	10,577,249	9,316,602
Daily Average Producer - Class I	5,908,462	5,796,988	5,832,047
Percent Producer Milk to Class I	174.2	182.5	159.7
Percent Gross Class I to Producer Class I	100.1	100.0	100.0
Number of Reporting Handlers	37	37	41
Value of Producer Milk at Test	\$39,255,349	\$41,169,088	\$40,365,642
Income per Farm (Monthly Average).	\$6,420	\$6,694	\$6,570

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BULLETIN

MARKET ADMINISTRATOR'S

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NAT'L ANIMAL INDUSTRY

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DAIRY OUTLOOK AND SITUATION SUMMARY

Government dairy product purchases increased sharply in 1985 after declining a year earlier, and the surplus is likely to be larger in 1986, assuming a support price of \$11.60 per cwt and no diversion or buyout program. However dairy provisions in the pending Farm Bill could alter this outlook.

Surplus removals (net purchases) by the Commodity Credit Corporation (CCC) in 1984 were equivalent to 8.6 billion pounds of milk (fat basis), down by nearly half from 1983 because of larger commercial disappearance and lower milk marketings reflecting lower production and additional farm use. This year, milk marketings likely grew by 6.3 percent and commercial disappearance is up, but only about 2.2 percent. Thus, USDA net removals are expected to be 13.5 billion pounds, up 57 percent from 1984.

Prices of dairy products at retail have not fully reflected declines at farm and wholesale levels. Retail margins have widened significantly in 1985 after several years of modest increases. Part of the widening can be attributed to typical sluggishness in retail prices. Brisk sales of dairy products may have further slowed price declines.

Retail dairy prices probably will be stable or decline in coming months if support prices are not changed. Wholesale to retail margins may be whittled down and wholesale prices are unlikely to budge from support levels. This would leave retail prices in early 1986 just slightly below a year earlier. For all of 1986, an unchanged support price would likely leave retail prices steady to down slightly, following this year's 2-percent increase.

Farmers received an average of \$12.70 per cwt of milk in November, up 60 cents from early summer but down \$1.60 from a year earlier. The average milk price is now below the level of 6 years ago. For all of 1985, farm milk prices will average about \$12.75 per cwt, down 70 cents from 1984. The decline in effective prices will be only 32 cents, because the 50-cent deduction applied just to the first quarter of 1985.

Farm milk prices in 1986 will depend on what new legislation mandates for the dairy prices support program. In addition to the direct effect of the support price specified by the law, milk prices will be affected by whether or not the legislation contains programs to curb output.

Sales of dairy products surged during July-October. Commercial use of milk and dairy products was about 4.5 percent above a year earlier. Increases were felt on a broad front; sales of fluid milk, butter, cheese, and frozen products were all up significantly.

Last summer's boost in dairy sales was exceptional only in terms of the size of the increase. Commercial use has been on a fairly consistent and strong uptrend since late 1983. Steadily declining real dairy prices, steadily improving economic conditions, and recently expanded promotion efforts are the roots of the uptrend. These factors probably will continue to favor dairy product sales in 1986.

Commercial use for all of 1985 is now expected to be more than 2 percent higher than 1984 and almost 6 percent above 1983. The 1983-85 growth would be the strongest in 3 decades. The 1986 growth in dairy sales may not quite match this year's but is expected to be 1-3 percent.